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October 3, 2002

Mary L. Cottrell, Secretary Department of Telecommunications and Energy One South Station, 2nd Floor Boston, MA 02110

Re: <u>Fitchburg Gas and Electric Light Company</u>; D.T.E. 02-24/25

Dear Ms. Cottrell:

Enclosed for filing on behalf of Fitchburg Gas and Electric Light Company ("FG&E") please find an original and eight (8) copies of our Motion to Admit Post-Hearing Evidence for Good Cause related to payroll.

Thank you for your attention in this matter.

Very truly yours,

Patricia M. French

12 nm

PMF:rtm

Enclosures

cc: Jeanne Voveris, Hearing Officer, DTF (3)
Scan Hanley, Asst. Director Rates and Revenues Requirement Division (6)
Paul E. Osborne, Asst. Director Rates and Revenue Requirement Division (6)
Wilner Borgella, Assistant Attorney General (By Hand) (4)
Matthew Morais, Esq. (By Hand)(4)
Service List

# COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY ) D.T.E. 02-24/25

#### MOTION TO ADMIT POST-HEARING EVIDENCE FOR GOOD CAUSE

Now comes Pitchburg Gas and Electric Light Company ("FG&E") and moves the Department of Telecommunications and Energy ("Department") to admit a two-page Affidavit of Mark II. Collin ("Affidavit") that confirms management's commitment to provide non-union employees with a 4.8 percent merease in payroll commencing January 1, 2003. This evidence does not alter FG&E's requested pro forma payroll adjustment for either the Gas or Electric Division and does not change FG&E's requested revenue requirements for either its Gas Division or its Electric Division. Moreover, the record in this proceeding has not yet closed, <sup>1</sup> and the evidence is reasonable and appropriate.<sup>2</sup>

The Department may, for good cause shown, allow a party to file evidence of any kind, or exhibits, at a time subsequent to the completion of hearing. 220 C.M.R. 1.11(7). The Department normally leaves the record open after the close of hearings to receive updated information on cost of service schedules, such as rate case and health care expense. Berkshire Gas Co., D.T.E. 01-56 at 36 (2002). The Department has noted that these updates "customarily

The record in this proceeding is held open until October 23, 2002 for updates expected by the parties and the Department. Tr. 9/10/02 (Vol. 15) at 1931-1932.

are routine matters subject both to change and ready verification, even after the record is closed."

Id.<sup>3</sup>

In the instant case, the record is not yet closed and, pursuant to the schedule in the matter, will remain open for another 27 days. Tr. 9/10/02 (Vol. 15) at 1931-1932. In the prefiled Testimotry of Mark IJ. Collin, Mr. Collin indicated that a non-union payroll adjustment was expected to take effect within 30 days of the rate order in this proceeding. Exh. FGE-MHC-1 (Electric) at 37; Exh. FGE-MHC-1 (Gas) at 34. Since that payroll adjustment would be known and measurable while the proceeding was pending, and because the adjustment would take effect during the first six months of the rate year, Mr. Collin included it as a pro-forma adjustment in the cost of service schedules initially filed in this proceeding. Exh. FGE-MHC-1 at Sch. MtfC-7-5 (Electric) at line 10; Exh. FGE-MHC-1 at Sch. MtHC-7-3 (Gas) at line 10. Therefore, the addition of this Affidavit to the evidence in this proceeding has no effect whatsoever on the filed cost of service.

As good cause for the Department to grant this Motion, Mr. Collin has learned that management has committed to the 4.8% non-union payroll adjustment for 2003 that Mr. Collin incorporated into his testimony and schedules as reasoned estimates in this proceeding. See Affidavit, Attachment A. The Department requires that a company's request for increases for non-union salaries and wages be accompanied by an express commitment by management to grant the increase. Boston Gas Co., D.P.U. 96-50 (Phase I), p. 47 (1996). It is appropriate that

The Department may disaflow any proposed adjustment to actual filed levels of cost of service, post-hearing, if no prior approval is obtained and if the reasonableness of the proposed adjustment is not demonstrated. See, Berkshire Gas Co., D.T.E. 01-56 at 37 (2002). Here, however, no adjustment or change to the cost of service is proposed, the inclusion of the evidence is reasonable and relevant, and FG&E was not able to provide it sooner.

Mr. Collin confirm FG&E's estimate of non-union salaries and payroll for 2003 with an

Affidavit, now that it is known that management has committed to the increase and that the

increase will take place before the midpoint of the rate year established in this proceeding.

Therefore, good cause is demonstrated for inclusion of this Affidavit into the record.

FG&E requests that the Affidavit of Mark H. Collin, submitted for this purpose, be

marked Exh. FGE-MHC-Affidavit.

Wherefore, for all the reasons set forth in this Motion, and for good cause shown,

Fitchburg Gas and Electric Light Company respectfully requests that the Department of

Telecommunications and Energy grant its Motion and admit the post-hearing Affidavit of Mark

H. Collin into evidence to demonstrate the express commitment of management to put into effect

the 4.8% non-union payroll adjustment already incorporated by estimation into FG&E's cost of

service.

Respectfully submitted,

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FITCHBURG GAS AND ELECTRIC LIGHT COMPANY.

By its attorneys,

Scott J. Mueller

Patricia M. French

Meabh Purcell

LeBoeuf, Lamb, Greene & MacRae, L.L.P.

260 Franklin Street

Boston, MA 02110

(617) 439-9500

fax (617) 439-0341

DATED: October 3, 2002

### CERTIFICATION

I, Patricia M. French, certify that I caused to have served a copy of the within Motion on the service list on file with the Secretary of the Department of Telecommunications and Energy for D.T.E. 02-24/25.

Dated at Boston, this 3rd day of October, 2002.

Patricia M. French

# COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

#### FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

D.T.E. 02-24/25

### AFFIDAVIT OF MARK H. COLLIN

- My name is Mark II. Collin and I am Treasurer of Fitchburg Gas and Electric Light Company ("FG&E"). My business address is 6 Liberty Lane West,
   Hampton, New Hampshire, 03842.
- 2. I submit this Affidavit consistent with my testimony in the above captioned proceeding, in which I indicated that 2003 non-union payroll increases will take place for Fitchburg Gas and Electric Light Company's Gas Division and Electric Division on January 1, 2003, before the midpoint of the rate year. Exh. FGE-MHC-1 at 34 (Gas); Exh. FGE-MHC-1 at 37 (Electric).
- At the time of filing of my initial testimony (May 17, 2002) for the Gas Division and the Electric Division, the payroll increase amounts for 2003 were estimated.
   Id.
- 4. The amount estimated was 4.8 percent over 2002 increases. Exh. FGE-MHC-1 at Sch. MHC-7-5 (Gas), line 10; Exh. FGE-MHC-1 at Sch. MHC-7-3 (Electric), line 10.
- I have been informed that the management of FG&F has approved a 4.8% increase for 2003, to take effect on January 1, 2003.

- This Affidavit certifies to the Department that management has committed to the
   4.8% increase for the rate year, to take effect during the first six months of the rate
   year.
- 7. This Affidavit has no effect on the revenue requirements filed in D.T.E. 02-24/25, as the amount estimated had been included in the Company's initial filing consistent with Department precedent. See Exh. FGE-MHC-1 (Gas) at 34. Exh. FGE-MHC-1 at Sch. MHC-7-5 (Gas), line 10; Exh. FGE-MHC-1 (Electric) at 37; Exh. FGE-MHC-1 at Sch. MHC-7-3 (Electric), line 10.

Signed under the pains and penalties of perjury, this **2** day of October, 2002.

Mark II. Collin

Subscribed and sworn to before me this \( \frac{\gamma}{2} \textit{d} \text{d} \text{ay of October, 2002.} \)

Notary Public

My Commission Expires September 29, 2007